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## **DEPARTMENT OF COMMERCE**

### **International Trade Administration**

**[A-427-829, A-570-071]**

### **Sodium Gluconate, Gluconic Acid, and Derivative Products from France and the People's Republic of China: Initiation of Less-Than-Fair-Value Investigations**

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**DATES:** Applicable December 20, 2017.

**FOR FURTHER INFORMATION CONTACT:** Stephen Bailey at (202) 482-0193 and Maliha Khan at (202) 482-0895 (France), Jeffrey Pedersen at (202) 482-2769 and Celeste Chen at (202) 482-0890 (the People's Republic of China (China)), AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

### **SUPPLEMENTARY INFORMATION:**

#### The Petitions

On November 30, 2017, the U.S. Department of Commerce (Commerce) received antidumping duty (AD) Petitions concerning imports of sodium gluconate, gluconic acid, and derivative products (GNA products) from France and China, filed in proper form on behalf of PMP Fermentation Products, Inc. (PMP, the petitioner).<sup>1</sup> The AD Petitions were accompanied

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<sup>1</sup> See Petitioner's letter, "Petition for Antidumping and Countervailing Duties: Sodium Gluconate, Gluconic Acid, and Derivative Products from the People's Republic of China and France," dated November 30, 2017 (the Petitions).

by a countervailing duty (CVD) petition concerning imports of GNA products from China. The petitioner is a domestic producer of GNA products.<sup>2</sup>

On December 5, 2017, Commerce requested supplemental information pertaining to certain areas of the Petitions.<sup>3</sup> The petitioner filed responses to these requests on December 7, 2017.<sup>4</sup> On December 15, 2017, the petitioner submitted certain revisions to the scope.<sup>5</sup>

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioner alleges that imports of GNA products from France and China are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that such imports are materially injuring, or threatening material injury to, the domestic industry producing GNA products in the United States. Consistent with section 732(b)(1) of the Act, the Petitions are accompanied by information reasonably available to the petitioner supporting their allegations.

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<sup>2</sup> See Volume I of the Petitions, at 2.

<sup>3</sup> See Commerce's Letters, "Petitions for the Imposition of Antidumping Duties on Imports of Sodium Gluconate, Gluconic Acid, and Derivative Products from France and the People's Republic of China and Countervailing Duties on Imports of Sodium Gluconate, Gluconic Acid, and Derivative Products from the People's Republic of China: Supplemental Questions," (General Issues Supplemental Questionnaire); "Petition for the Imposition of Antidumping Duties on Imports of Sodium Gluconate, Gluconic Acid and Derivative Products from France: Supplemental Questions;" and "Petition for the Imposition of Antidumping Duties on Imports of Sodium Gluconate, Gluconic Acid and Derivative Products from the People's Republic of China: Supplemental Questions." All three of these documents are dated December 5, 2017.

<sup>4</sup> See Petitioner's Letters, "Antidumping Duty Investigation of Sodium Gluconate, Gluconic Acid and Derivative Products from the People's Republic of China: PMP's Response to the Department's Supplemental Questions on the Petition" (General Issues and China AD Supplement) and "Antidumping Duty Investigation of Sodium Gluconate, Gluconic Acid and Derivative Products from France: PMP's Response to the Department's Supplemental Questions on the Petition" (General Issues and France AD Supplement). Both of these documents are dated December 7, 2017.

<sup>5</sup> See Memorandum, "Petitions for the Imposition of Antidumping Duties on Imports of Sodium Gluconate, Gluconic Acid, and Derivative Products from France and the People's Republic of China and Countervailing Duties on Imports of Sodium Gluconate, Gluconic Acid, and Derivative Products from the People's Republic of China: Telephone Conversation with the Petitioner," dated December 14, 2017; *see also* Petitioner's Letter, "Sodium Gluconate, Gluconic Acid, and Derivative Products from the People's Republic of China and France: Petitioner's Amendment to Volume I of Antidumping and Countervailing Duty Petition," dated December 15, 2017 (Revised Scope).

Commerce finds that the petitioner filed the Petitions on behalf of the domestic industry because the petitioner is an interested party as defined in section 771(9)(C) of the Act.

Commerce also finds that the petitioner demonstrated sufficient industry support with respect to the initiation of the AD investigations that the petitioner is requesting.<sup>6</sup>

#### Periods of Investigation

Because the Petitions were filed on November 30, 2017, pursuant to 19 CFR 351.204(b)(1), the period of investigation (POI) for the France investigation is October 1, 2016 through September 30, 2017. Because China is a non-market economy (NME) country, pursuant to 19 CFR 351.204(b)(1), the POI for the China investigation is April 1, 2017 through September 30, 2017.

#### Scope of the Investigations

The products covered by these investigations are GNA products from France and China. For a full description of the scope of these investigations, *see* the Appendix to this notice.

#### Scope Comments

During our review of the Petitions, Commerce issued questions to, and received responses from, the petitioner pertaining to the proposed scope to ensure that the scope language in the Petitions is an accurate reflection of the products for which the domestic industry is seeking relief.<sup>7</sup> As a result of these exchanges, the scope of the Petitions was modified to clarify the description of merchandise covered by the Petitions. The description of the merchandise covered by this initiation, as described in the Appendix to this notice, reflects these clarifications.

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<sup>6</sup> See the “Determination of Industry Support for the Petitions” section, *infra*.

<sup>7</sup> See General Issues Supplemental Questionnaire, at 3-4; *see also* General Issues and China AD Supplement and General Issues and France AD Supplement.

As discussed in the preamble to Commerce's regulations, we are setting aside a period for interested parties to raise issues regarding product coverage (scope).<sup>8</sup> Commerce will consider all comments received from interested parties and, if necessary, will consult with interested parties prior to the issuance of the preliminary determinations. If scope comments include factual information,<sup>9</sup> all such factual information should be limited to public information. To facilitate preparation of its questionnaires, Commerce requests that all interested parties submit such comments by 5:00 p.m. Eastern Time (ET) on January 9, 2018, which is 20 calendar days from the signature date of this notice. Any rebuttal comments, which may include factual information, must be filed by 5:00 p.m. ET on January 19, 2018, which is 10 calendar days from the initial comments deadline.<sup>10</sup>

Commerce requests that any factual information the parties consider relevant to the scope of the investigations be submitted during this time period. However, if a party subsequently finds that additional factual information pertaining to the scope of the investigations may be relevant, the party may contact Commerce and request permission to submit the additional information. All such comments must be filed on the records of each of the concurrent AD and CVD investigations.

#### Filing Requirements

All submissions to Commerce must be filed electronically using Enforcement and Compliance's Antidumping Duty and Countervailing Duty Centralized Electronic Service

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<sup>8</sup> See *Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

<sup>9</sup> See 19 CFR 351.102(b)(21) (defining "factual information").

<sup>10</sup> See 19 CFR 351.303(b).

System (ACCESS).<sup>11</sup> An electronically filed document must be received successfully in its entirety by the time and date it is due. Documents exempted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with Enforcement and Compliance's APO/Dockets Unit, Room 18022, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, and stamped with the date and time of receipt by the applicable deadlines.

#### Comments on Product Characteristics for AD Questionnaires

Commerce will provide interested parties an opportunity to comment on the appropriate physical characteristics of GNA products to be reported in response to Commerce's AD questionnaires. This information will be used to identify the key physical characteristics of the merchandise under consideration in order to report the relevant costs of production accurately as well as to develop appropriate product-comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as: (1) general product characteristics, and (2) product-comparison criteria. We note that it is not always appropriate to use all product characteristics as product-comparison criteria. We base product-comparison criteria on meaningful commercial differences among products. In other words, although there may be some physical product characteristics utilized by manufacturers to describe GNA products, it may be that only a select few product characteristics take into account commercially

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<sup>11</sup> See *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011); see also *Enforcement and Compliance; Change of Electronic Filing System Name*, 79 FR 69046 (November 20, 2014) for details of Commerce's electronic filing requirements, effective August 5, 2011. Information on help using ACCESS can be found at <https://access.trade.gov/help.aspx> and a handbook can be found at <https://access.trade.gov/help/Handbook%20on%20Electronic%20Filing%20Procedures.pdf>.

meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in matching products. Generally, Commerce attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the AD questionnaires, all product characteristics comments must be filed by 5:00 p.m. ET on January 9, 2018. Any rebuttal comments must be filed by 5:00 p.m. ET on January 19, 2018. All comments and submissions to Commerce must be filed electronically using ACCESS, as explained above, on the records of the France and China less-than-fair-value investigations.

#### Determination of Industry Support for the Petitions

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, Commerce shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the “industry.”

Section 771(4)(A) of the Act defines the “industry” as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support,

the statute directs Commerce to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both Commerce and the ITC must apply the same statutory definition regarding the domestic like product,<sup>12</sup> they do so for different purposes and pursuant to a separate and distinct authority. In addition, Commerce’s determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.<sup>13</sup>

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation” (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the Petitions).

With regard to the domestic like product, the petitioner does not offer a definition of the domestic like product distinct from the scope of the investigations. Based on our analysis of the information submitted on the record, we have determined that GNA products, as defined in the scope, constitute a single domestic like product and we have analyzed industry support in terms of that domestic like product.<sup>14</sup>

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<sup>12</sup> See section 771(10) of the Act.

<sup>13</sup> See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing *Algoma Steel Corp., Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff’d* 865 F.2d 240 (Fed. Cir. 1989)).

<sup>14</sup> For a discussion of the domestic like product analysis, see Antidumping Duty Investigation Initiation Checklist: Sodium Gluconate, Gluconic Acid, and Derivative Products from the People’s Republic of China (China AD Initiation Checklist), at Attachment II, Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Sodium Gluconate, Gluconic Acid, and Derivative Products from the People’s Republic of China and France (Attachment II); and Antidumping Duty Investigation Initiation Checklist: Sodium Gluconate, Gluconic

In determining whether the petitioner has standing under section 732(c)(4)(A) of the Act, we considered the industry support data contained in the Petitions with reference to the domestic like product as defined in the “Scope of the Investigations,” in the Appendix to this notice. To establish industry support, the petitioner provided its own production of the domestic like product in 2016.<sup>15</sup> The petitioner states that there are no other known producers of GNA products in the United States; therefore, the Petitions are supported by 100 percent of the U.S. industry.<sup>16</sup>

Our review of the data provided in the Petitions, the supplemental responses, and other information readily available to Commerce indicates that the petitioner has established industry support for the Petitions.<sup>17</sup> First, the Petitions established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, Commerce is not required to take further action in order to evaluate industry support (*e.g.*, polling).<sup>18</sup> Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petitions account for at least 25 percent of the total production of the domestic like product.<sup>19</sup> Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petitions account for more than 50 percent of

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Acid, and Derivative Products from France (France AD Initiation Checklist), at Attachment II. These checklists are dated concurrently with, and hereby adopted by, this notice and on file electronically *via* ACCESS. Access to documents filed *via* ACCESS is also available in the Central Records Unit, Room B8024 of the main Department of Commerce building.

<sup>15</sup> See Volume I of the Petitions, at 3 and Exhibits I-1A and I-1B.

<sup>16</sup> *Id.* at 3 and Exhibits I-1A and I-1B; see also General Issues and China AD Supplement, at 7; see also General Issues and France AD Supplement, at 7.

<sup>17</sup> See China AD Initiation Checklist and France AD Initiation Checklist, at Attachment II.

<sup>18</sup> See section 732(c)(4)(D) of the Act; see also China AD Initiation Checklist and France AD Initiation Checklist, at Attachment II.

<sup>19</sup> See China AD Initiation Checklist and France AD Initiation Checklist, at Attachment II.



the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions.<sup>20</sup> Accordingly, Commerce determines that the Petitions were filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.

Commerce finds that the petitioner filed the Petitions on behalf of the domestic industry because it is an interested party as defined in section 771(9)(C) of the Act and it has demonstrated sufficient industry support with respect to the AD investigations that it is requesting that Commerce initiate.<sup>21</sup>

#### Allegations and Evidence of Material Injury and Causation

The petitioner alleges that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at less than normal value (NV). In addition, the petitioner alleges that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.<sup>22</sup>

The petitioner contends that the industry's injured condition is illustrated by a significant volume of subject imports, reduced market share, underselling and price depression or suppression, lost sales and revenues, and a negative impact on financial performance.<sup>23</sup> We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence, and meet the statutory requirements for initiation.<sup>24</sup>

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<sup>20</sup> *Id.*

<sup>21</sup> *Id.*

<sup>22</sup> See Volume I of the Petitions, at 16 and Exhibit I-9; see also General Issues and China AD Supplement, at 7; and General Issues and France AD Supplement, at 7.

<sup>23</sup> *Id.* at 13, 16-32 and Exhibits I-4 and I-9 through I-22.

<sup>24</sup> See China AD Initiation Checklist, at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petitions Covering Sodium Gluconate, Gluconic Acid, and Derivative Products from the People's Republic of China and France (Attachment III); see also France AD Initiation

### Allegations of Sales at Less Than Fair Value

The following is a description of the allegations of sales at less than fair value upon which Commerce based its decision to initiate AD investigations of imports of GNA products from France and China. The sources of data for the deductions and adjustments relating to U.S. price and NV are discussed in greater detail in the country-specific initiation checklists.

### Export Price

For both France and China, the petitioner based its calculation of export price (EP) on U.S. imports of sodium gluconate under the Harmonized Tariff Schedule of the United States (HTSUS) subheading 2918.16.5010 between October 2016 and September 2017 for France and April 2017 and September 2017 for China.<sup>25</sup> The petitioner made deductions from EP for foreign inland freight and foreign brokerage and handling expenses.<sup>26</sup>

### Normal Value

For France, the petitioner was unable to obtain reliable information relating to the prices charged for GNA products in France or in any third country market.<sup>27</sup> Because home market and third country prices were not reasonably available, the petitioner calculated NV based on constructed value (CV). For further discussion of CV, *see* the section “Normal Value Based on Constructed Value” below.<sup>28</sup>

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Checklist, at Attachment III.

<sup>25</sup> *See* France AD Initiation Checklist and China AD Initiation Checklist.

<sup>26</sup> *Id.*

<sup>27</sup> *See* France AD Initiation Checklist.

<sup>28</sup> In accordance with section 505(a) of the Trade Preferences Extension Act of 2015, amending section 773(b)(2) of the Act, for this investigation, Commerce will request information necessary to calculate the CV and cost of production (COP) to determine whether there are reasonable grounds to believe or suspect that sales of the foreign like product have been made at prices that represent less than the COP of the product. Commerce no longer requires a COP allegation to conduct this analysis.

With respect to China, Commerce considers China to be a non-market economy (NME) country.<sup>29</sup> In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked by Commerce. Therefore, we continue to treat China as an NME country for purposes of the initiation of this investigation. Accordingly, NV in China is appropriately based on factors of production (FOPs) valued in a surrogate market economy country, in accordance with section 773(c) of the Act.<sup>30</sup> In the course of this investigation, all parties, and the public, will have the opportunity to provide relevant information related to the granting of separate rates to individual exporters.

The petitioner claims that Thailand is an appropriate surrogate country for China because it is a market economy country that is at a level of economic development comparable to that of China; it is a significant producer of comparable merchandise; and public information from Thailand is available to value all material input factors except for the inputs of liquid glucose and sodium hydroxide.<sup>31</sup> The petitioner stated that due to what it characterized as high values in the Thai import data for glucose and sodium hydroxide, it instead relied on data for Brazil for these two inputs.<sup>32</sup> Brazil was on the list of potential surrogate countries placed on the record by the petitioner, and the petitioner stated that Brazil had the largest quantity of imports of these two inputs.<sup>33</sup> Based on the information provided by the petitioner, we determine that it is appropriate to use Thailand as a surrogate country, but rely on the Brazil import data for the glucose and sodium hydroxide inputs, for initiation purposes.

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<sup>29</sup> See *Antidumping Duty Investigation of Certain Aluminum Foil from the People's Republic of China: Affirmative Preliminary Determination of Sales at Less-Than-Fair Value and Postponement of Final Determination*, 82 FR 50858, 50861 (November 2, 2017), and accompanying decision memorandum, *China's Status as a Non-Market Economy*.

<sup>30</sup> See China AD Initiation Checklist.

<sup>31</sup> See Volume II of the Petitions, at 2-3 and Exhibit II-2.

<sup>32</sup> See Volume II of the Petitions, at 5.

<sup>33</sup> See Volume II of the Petitions, at 2-6 and Exhibit II-2.

Interested parties will have the opportunity to submit comments regarding surrogate country selection and, pursuant to 19 CFR 351.301(c)(3)(i), will be provided an opportunity to submit publicly available information to value FOPs within 30 days before the scheduled date of the preliminary determination.

#### Factors of Production

Because information regarding the volume of inputs consumed by China producers/exporters is not available, the petitioner relied on the production experience of its GNA products production facility in Peoria, Illinois as an estimate of Chinese manufacturers' FOPs.<sup>34</sup> The petitioner valued the estimated FOPs using surrogate values from Thailand for China, except for two inputs as noted above.<sup>35</sup> The petitioner used the average POI exchange rate to convert the data to U.S. dollars.<sup>36</sup>

#### Normal Value Based on Constructed Value

As noted above, the petitioner was unable to obtain reliable information relating to the prices charged for GNA products in France or in any third country market; accordingly, the petitioner based NV on CV. Pursuant to section 773(e) of the Act, CV consists of the cost of manufacturing (COM), selling, general, and administrative (SG&A) expenses, financial expenses, packing expenses, and profit.<sup>37</sup> For France, the petitioner calculated the COM based on its own input factors of production and usage rates for raw materials, labor, energy, packing, and a by-product offset.<sup>38</sup> The input factors of production were valued using publicly available

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<sup>34</sup> See Volume II of the Petitions at 4 and Volume IV of the Petitions at 4.

<sup>35</sup> See General Issues and China AD Supplement, at Revised Exhibit II-13.

<sup>36</sup> See General Issues and China AD Supplement, at Revised Exhibit II-22.

<sup>37</sup> See France AD Initiation Checklist.

<sup>38</sup> See General Issues and France AD Supplement, at Revised Exhibit IV-10.

data on costs specific to France, during the proposed POI.<sup>39</sup> Specifically, the prices for raw material and packing inputs were based on publicly available import data for France.<sup>40</sup> Labor and energy costs were valued using publicly available sources for France.<sup>41</sup> The petitioner calculated factory overhead, SG&A, and profit for France based on the average ratios found in the experience of a French producer of chemical products.<sup>42</sup>

#### Fair Value Comparisons

Based on the data provided by the petitioner, there is reason to believe that imports of GNA products from France and China are being, or are likely to be, sold in the United States at less than fair value. Based on comparisons of EP to NV in accordance with sections 772 and 773 of the Act, the estimated dumping margin for GNA products for each of the countries covered by this initiation are as follows: (1) France – 76.95 percent;<sup>43</sup> and (2) China – 213.15 percent.<sup>44</sup>

#### Initiation of Less-than-Fair-Value Investigations

Based upon the examination of the AD Petitions, we find that the Petitions meet the requirements of section 732 of the Act. Therefore, we are initiating AD investigations to determine whether imports of GNA products from France and China are being, or are likely to be, sold in the United States at less than fair value. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determinations no later than 140 days after the date of this initiation.

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<sup>39</sup> *Id.*

<sup>40</sup> *Id.*

<sup>41</sup> *Id.*

<sup>42</sup> *Id.*

<sup>43</sup> See France AD Initiation Checklist.

<sup>44</sup> See China AD Initiation Checklist.

Under the Trade Preferences Extension Act of 2015, numerous amendments to the AD and CVD laws were made.<sup>45</sup> The 2015 law does not specify dates of application for those amendments. On August 6, 2015, Commerce published an interpretative rule, in which it announced the applicability dates for each amendment to the Act, except for amendments contained in section 771(7) of the Act, which relate to determinations of material injury by the ITC.<sup>46</sup> The amendments to sections 771(15), 773, 776, and 782 of the Act are applicable to all determinations made on or after August 6, 2015, and, therefore, apply to these AD investigations.<sup>47</sup>

### Respondent Selection

With respect to France, although Commerce normally relies on import data from Customs and Border Protection (CBP) to determine whether to select a limited number of producers/exporters for individual examination in AD investigations, the petitioner identified only one company in France, Jungbunzlauer, S.A., as a producer/exporter of GNA products.<sup>48</sup> The petitioner relied on information from a subscription database of shipment data and additional research of publicly-available sources as support for its claim that there is only one producer/exporter of GNA products in France.<sup>49</sup> We currently know of no additional producers/exporters of GNA products from France. Accordingly, Commerce intends to examine the sole French producer/exporter identified in the Petition for the investigation. Parties wishing to comment on respondent selection for France must do so within five days of the publication of

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<sup>45</sup> See Trade Preferences Extension Act of 2015, Pub. L. No. 114-27, 129 Stat. 362 (2015).

<sup>46</sup> See *Dates of Application of Amendments to the Antidumping and Countervailing Duty Laws Made by the Trade Preferences Extension Act of 2015*, 80 FR 46793 (August 6, 2015).

<sup>47</sup> *Id.* at 46794-95. The 2015 amendments may be found at <https://www.congress.gov/bill/114th-congress/house-bill/1295/text/pl>.

<sup>48</sup> See Volume I of the Petitions, at Exhibit I-5B.

<sup>49</sup> *Id.*; see also Volume IV of the Petitions, at 1.

this notice in the *Federal Register*. Any such comments must be submitted no later than 5:00 p.m. ET on the due date, and must be filed electronically via ACCESS.

With respect to China, the petitioner named 82 producers/exporters as accounting for the majority of exports of GNA products to the United States from China.<sup>50</sup> In accordance with our standard practice for respondent selection in AD cases involving NME countries, we intend to issue quantity and value (Q&V) questionnaires to producers/exporters of merchandise subject to the investigation and, if necessary, base respondent selection on the responses received. For this investigation, Commerce will request Q&V information from known Chinese exporters and producers identified, with complete contact information, in the Petition. In addition, Commerce will post the Q&V questionnaire along with filing instructions on the Enforcement and Compliance Web site at <http://www.trade.gov/enforcement/news.asp>.

Producers/exporters of GNA products from China that do not receive Q&V questionnaires by mail may still submit a response to the Q&V questionnaire and can obtain a copy of the Q&V questionnaire from Enforcement & Compliance's website. The Q&V response must be submitted by the relevant Chinese exporters/producers no later than 5:00 p.m. ET on January 4, 2018. All Q&V responses must be filed electronically via ACCESS.

#### Separate Rates

In order to obtain separate-rate status in an NME investigation, exporters and producers must submit a separate-rate application.<sup>51</sup> The specific requirements for submitting a separate-rate application in China investigation are outlined in detail in the application itself, which is available on Commerce's web site at <http://enforcement.trade.gov/nme/nme-sep-rate.html>. The

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<sup>50</sup> See General Issues and China AD Supplement, at Revised Exhibit I-5A.

<sup>51</sup> See Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigation involving Non-Market Economy Countries (April 5, 2005), available at <http://enforcement.trade.gov/policy/bull05-1.pdf> (Policy Bulletin 05.1).

separate-rate application will be due 30 days after publication of this initiation notice.<sup>52</sup>

Exporters and producers who submit a separate-rate application and have been selected as mandatory respondents will be eligible for consideration for separate-rate status only if they respond to all parts of Commerce's AD questionnaire as mandatory respondents. Commerce requires that companies from China submit a response to both the Q&V questionnaire and the separate-rate application by the respective deadlines in order to receive consideration for separate-rate status. Companies not filing a timely Q&V response will not receive separate-rate consideration.

#### Use of Combination Rates

Commerce will calculate combination rates for certain respondents that are eligible for a separate rate in an NME investigation. The Separate Rates and Combination Rates Bulletin states:

{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME Investigation will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of "combination rates" because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation.<sup>53</sup>

#### Distribution of Copies of the Petitions

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<sup>52</sup> Although in past investigations this deadline was 60 days, consistent with 19 CFR 351.301(a), which states that "the Secretary may request any person to submit factual information at any time during a proceeding," this deadline is now 30 days.

<sup>53</sup> See Policy Bulletin 05.1 at 6 (emphasis added).



In accordance with section 732(b)(3)(A)(i) of the Act and 19 CFR 351.202(f), copies of the public version of the Petitions have been provided to the governments of France and China *via* ACCESS. To the extent practicable, we will attempt to provide a copy of the public version of the Petitions to each exporter named in the Petitions, as provided under 19 CFR 351.203(c)(2).

#### ITC Notification

We will notify the ITC of our initiation, as required by section 732(d) of the Act.

#### Preliminary Determinations by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the Petitions were filed, whether there is a reasonable indication that imports of GNA products from France and/or China are materially injuring or threatening material injury to a U.S. industry. A negative ITC determination for any country will result in the investigation being terminated with respect to that country.<sup>54</sup> Otherwise, the investigations will proceed according to statutory and regulatory time limits.

#### Submission of Factual Information

Factual information is defined in 19 CFR 351.102(b)(21) as: (i) evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by Commerce; and (v) evidence other than factual information described in (i)–(iv). 19 CFR 351.301(b) requires any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted<sup>55</sup> and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation

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<sup>54</sup> *Id.*

<sup>55</sup> *See* 19 CFR 351.301(b).

identifying the information already on the record that the factual information seeks to rebut, clarify, or correct.<sup>56</sup> Time limits for the submission of factual information are addressed in 19 CFR 351.301, which provides specific time limits based on the type of factual information being submitted. Interested parties should review the regulations prior to submitting factual information in these investigations.

#### Extensions of Time Limits

Parties may request an extension of time limits before the expiration of a time limit established under 19 CFR 351.301, or as otherwise specified by the Secretary. In general, an extension request will be considered untimely if it is filed after the expiration of the time limit established under 19 CFR 351.301. For submissions that are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. ET on the due date. Under certain circumstances, we may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from multiple parties simultaneously. In such a case, we will inform parties in the letter or memorandum setting forth the deadline (including a specified time) by which extension requests must be filed to be considered timely. An extension request must be made in a separate, stand-alone submission; under limited circumstances we will grant untimely-filed requests for the extension of time limits. Parties should review *Extension of Time Limits; Final Rule*, 78 FR 57790 (September 20, 2013), available at <http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm>, prior to submitting factual information in these investigations.

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<sup>56</sup> See 19 CFR 351.301(b)(2).

### Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.<sup>57</sup> Parties must use the certification formats provided in 19 CFR 351.303(g).<sup>58</sup> Commerce intends to reject factual submissions if the submitting party does not comply with the applicable revised certification requirements.

### Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. On January 22, 2008, Commerce published *Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures*, 73 FR 3634 (January 22, 2008). Parties wishing to participate in these investigations should ensure that they meet the requirements of these procedures (*e.g.*, the filing of letters of appearance as discussed at 19 CFR 351.103(d)).

This notice is issued and published pursuant to sections 732(c)(2) and 777(i) of the Act, and 19 CFR 351.203(c).

Dated: December 20, 2017.

**Gary Taverman,**

*Deputy Assistant Secretary*

*for Antidumping and Countervailing Duty Operations*

*performing the non-exclusive functions and duties of the*

*Assistant Secretary for Enforcement and Compliance.*

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<sup>57</sup> See section 782(b) of the Act.

<sup>58</sup> See also *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings*, 78 FR 42678 (July 17, 2013) (*Final Rule*). Answers to frequently asked questions regarding the *Final Rule* are available at [http://enforcement.trade.gov/tlei/notices/factual\\_info\\_final\\_rule\\_FAQ\\_07172013.pdf](http://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf).



## Appendix

### Scope of the Investigations

The scope of these investigations covers all grades of sodium gluconate, gluconic acid, liquid gluconate, and glucono delta lactone (GDL) (collectively GNA Products), regardless of physical form (including, but not limited to substrates; solutions; dry granular form or powders, regardless of particle size; or as a slurry). The scope also includes GNA Products that have been blended or are in solution with other product(s) where the resulting mix contains 35 percent or more of sodium gluconate, gluconic acid, liquid gluconate, and/or GDL by dry weight.

Sodium gluconate has a molecular formula of  $\text{NaC}_6\text{H}_{11}\text{O}_7$ . Sodium gluconate has a Chemical Abstract Service (CAS) registry number of 527-07-1, and can also be called “sodium salt of gluconic acid” and/or sodium 2, 3, 4, 5, 6 pentahydroxyhexanoate. Gluconic acid has a molecular formula of  $\text{C}_6\text{H}_{12}\text{O}_7$ . Gluconic acid has a CAS registry number of 526-95-4, and can also be called 2, 3, 4, 5, 6 pentahydroxycaproic acid. Liquid gluconate is a blend consisting only of gluconic acid and sodium gluconate in an aqueous solution. Liquid gluconate has CAS registry numbers of 527-07-1, 526-95-4, and 7732-18-5, and can also be called 2, 3, 4, 5, 6-pentahydroxycaproic acid-hexanoate. GDL has a molecular formula of  $\text{C}_6\text{H}_{10}\text{O}_6$ . GDL has a CAS registry number of 90-80-2, and can also be called d-glucono-1,5-lactone.

The merchandise covered by the scope of these investigations is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 2918.16.1000, 2918.16.5010, and 2932.20.5020. Merchandise covered by the scope may also enter under HTSUS subheadings 2918.16.5050, 3824.99.2890, and 3824.99.9295. Although the HTSUS subheadings and CAS registry numbers are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

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